

FROM THE DESK OF THE CEO (26/17)

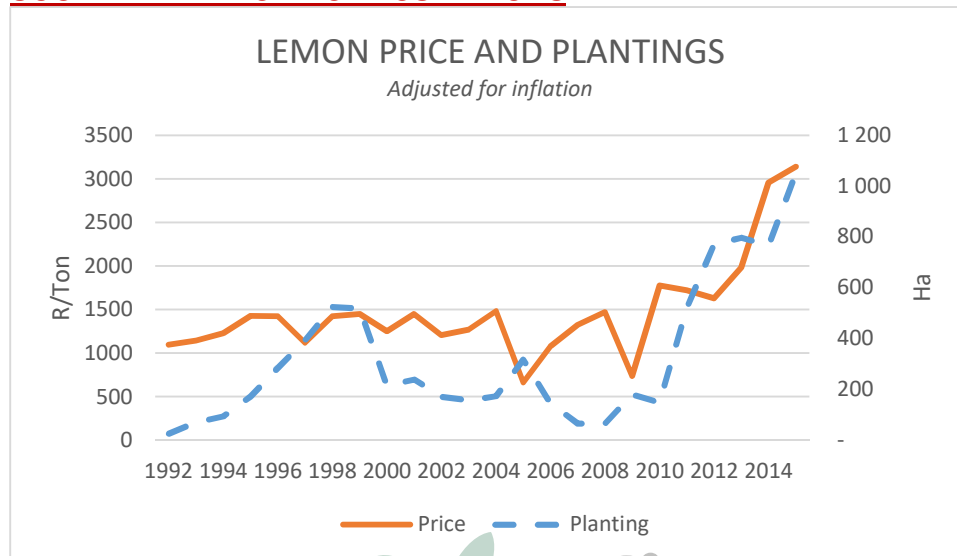
(Follow me on Twitter justchad_cga)

Justin Chadwick 14 July 2017

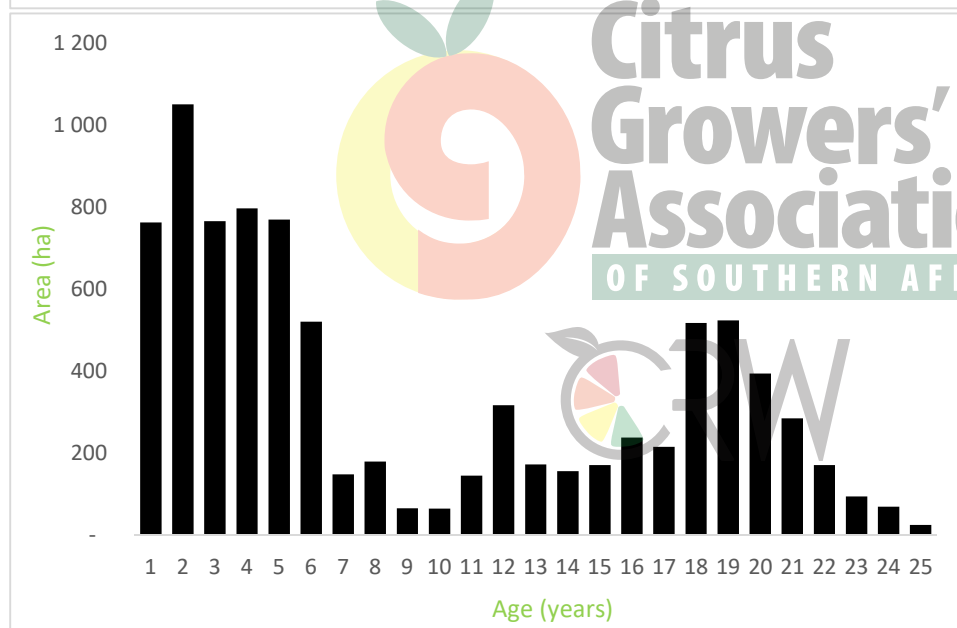


“Real knowledge is to know the extent of one’s ignorance” Confucius

SOUTHERN AFRICAN CITRUS LEMONS



This graph shows lemon plantings in hectares and export lemon prices adjusted for inflation. What is clear is that the inflation adjusted price was fairly stable between R1 000 and R1 500 per ton from 1992 to 2009; at that point lemon prices more than doubled through to 2016. Ignoring inflation, the price went from R1 000 per ton in 1992 to R16 500 per ton in 2016.



Lemon plantings really took off after 2010 – from levels of 200 to 300Ha per annum prior to 2010 up to 700 to 1 000 Ha after 2010. This means a predominance of young orchards.

Media reports indicate that lemon prices in 2017 are coming under some pressure. The increased plantings are not restricted to South Africa – the good returns of the past few years have attracted growers to this sector from across the globe.

As supply increases it is anticipated that these prices will come under further pressure. The bright light in this scenario is the increased demand for lemon and lemon products. Around the globe consumers are recognising lemons for their health attributes – with new consumers and new uses for lemons every year. The question everybody is asking is whether the increased demand will soak up all the increased supply.

PACKED AND SHIPPED

To End Week 27 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2015	2016	2017	2016	2017	2017	2017	2016
Grapefruit	13.9 m	11.9 m	14.4 m	10.4 m	10.8 m	15.6 m	14.8 m	13.2 m
Soft Citrus	6.5 m	8.1 m	8.3 m	7.1 m	7.5 m	13.2 m	13.5 m	12.2 m
Lemons	10.8 m	11.5 m	14.8 m	10.4 m	13 m	17.5 m	17.5 m	15 m
Navels	16.6 m	19.2 m	15.6 m	15.9 m	13.2 m	26.3 m	21.8 m	26.2 m
Valencia	6.1 m	7.8 m	8.4 m	4.6 m	4.9 m	50.1 m	47.9 m	41.8 m
Total	53.9 m	58.5 m	61.5 m	48.4 m	49.4 m	122.7 m	115.5 m	108.4 m

THE CGA GROUP OF COMPANIES (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE FUNDED BY SOUTHERN AFRICAN CITRUS GROWERS